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Women find financial advisors via trusted networks, study shows
By Rob Burgess
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Most women clients seek financial advisor referrals from other women.

That was among the findings of a recent report from Edward Jones and global data intelligence company Morning Consult, which showed that 72% of financial advisors said women clients seek out referrals from other women, and 77% said their top referral source for their women clients is friends and family. The survey was conducted among a national sample of 405 financial advisors from Aug. 22 to Sept. 6.

Advisors who have experience working with women clients said this data is in line with what they've experienced firsthand.

Who can you trust?
Cathleen Tobin, a financial advisor with Moonbridge Financial Design in Rhinebeck, New York, said her practice focuses on serving women clients, over 70% of whom came through referrals, either from women in her network or clients.

"Those who have moved to me from another advisor expressed frustration that they didn't feel heard or understood by their previous advisor," she said. "They are looking for a relationship that focuses on their entire financial picture versus only what might be under management. They want the confidence to ask questions and to receive answers in plain language, without jargon. It can be difficult to know where to begin looking for a financial advisor, and a referral from a trusted friend or relative can give them the confidence to schedule a call."

Cary Carbonaro, managing wealth advisor and women and wealth ambassador at Ashton Thomas Private Wealth in Scottsdale, Arizona, said the study's findings resonate deeply with what she's observed working with women clients over the years.

"Women have a strong tendency to seek financial advisors through their trusted networks, particularly from other women," she said.

Women often prefer recommendations from people they trust — people who understand their unique financial situations and can vouch for an advisor's empathy, communication style and credibility, said Carbonaro.

"A referral from a trusted source offers a sense of security and validation," she said. "Women want to know that the advisor they're considering has been vetted by someone they trust."

Laura Cuber, wealth advisor at Bartlett Wealth Management in Chicago, echoed that sentiment.

"Most clients that are referred to me start by asking friends and family who they've liked working with in the past," she said. "I don't think women are only asking other women for referrals, but they might naturally gravitate toward referrals from people in situations comparable to their own, which most often means other women."

Vanessa N. Martinez, CEO and managing partner at Expressive Wealth in Chicago, said women turn to their networks for recommendations on anything and everything, not just advisors.

"From restaurants to doctors, there is no better testimonial than one that reaps no benefit," she said. "Your network of friends will give you their honest opinions; they will share the good, the bad and the ugly."

Women value a sense of safety and the feeling that they have a qualified person who demonstrates empathy and "can explain everything without making anyone feel less than," said Martinez.

"They love to know there is no underlying agenda," she said. "It is truly looking out for their best interest and providing the service of taking care of them and their families."

Above all else, women want an advisor that they can trust, said Cuber.

"They want someone knowledgeable who will get to know their situation deeply and keep their best interests front and center when giving advice," she said. "They also want someone who can educate them on the pros and cons of their financial decisions without talking down to them."

According to the report, financial advisor respondents said the top three most important factors to convert women clients to their practices are: providing clear communication and education, 65%; being empathetic toward their financial situations, 64%; and maintaining regular and transparent communication, 63%.

Financial advisors said more than three-quarters of their women clients, 77%, prioritize long-term investing over short-term investing.

The survey showed women clients' top financial goals are: contributing to their 401(k), 63%; building financial independence, 61%; and building personal retirement savings, 56%.

When it comes to qualities that women value in their financial advisors, Carbonaro said her experience was very much in line with what the data shows.

"Many women clients feel that financial conversations have historically been opaque or overly complex, often dismissing their specific concerns," she said. "Women want to feel informed and included in the process, which is why a more communicative, empathetic approach is key to building trust and loyalty with them. They're also looking for someone who understands their long-term goals, not just for retirement but also for family security, financial independence and personal growth."

Differences in serving men and women clients

Sadly, not all advisors are prepared to work with women, said Lawrence D. Sprung, founder of Mitlin Financial in Hauppauge, New York.

"Women clients that we work with often compliment us on our ability to show empathy, meet them where they are when explaining concepts or ideas, and take the time to understand what is important to them," he said. "Many times male clients are focused on other areas, and some advisors cannot make changes in the approach and relationship needed to serve them differently."

Women tend to be more focused on how to best achieve their goals than on getting the highest returns, said Cuber.

"This focus, plus the fact that they tend to be more risk averse, don't trade as much, and are less impulsive in their decision-making than their male counterparts, makes them good long-term investors," she said. "Women are also more likely to need to plan around lower lifetime incomes, time out of the workforce to care for children or other family and higher life expectancies, which means that they can need more careful financial planning."

Working with male clients does feel different in several ways, said Carbonaro. In her experience, male clients might prioritize performance metrics, portfolio specifics or market-driven strategies, while female clients tend to want to understand why they're making specific financial decisions.

"They often seek context for how financial strategies align with their life goals and values. Women clients also tend to have a stronger focus on long-term planning. … Ultimately, to serve women well, financial advisors need to acknowledge these differences, adjust their approach, and meet women where they are — fostering an environment of understanding, transparency, and empowerment."

However, Martinez said client feelings depend more on personality than gender.

"There are some characteristics that we can generalize," she said. "Still, overall, we all want to feel comfortable that the person managing all we have worked so hard for always has our best interest in mind and will support us in reaching our goals."